

TEXT OF AGREEMENT SIGNED JUNE 15, 2001
(as amended per exchange of letters)

UNITED STATES-POLISH WORKING GROUP ON TRADE ISSUES
AGREED MINUTES ON A COMPREHENSIVE TRADE PACKAGE

Reference is being made to the talks on economic issues held by Poland's Deputy Prime Minister and Minister of Economy, Mr. Janusz Steinhoff, with the United States Trade Representative, Mr. Robert Zoellick, and other representatives of the U.S. Administration (Washington, D.C., May 28-29, 2001).

After extensive discussion of the wide range of bilateral trade issues, both Sides have agreed to establish the Polish-U.S. Working Group on Trade Issues. The first meeting of the working group took place in Washington, D.C. on June 7-8, 2001. The Polish Side was headed by Deputy Minister of Economy Mr. Wojciech Katner and the U.S. Side was headed by Assistant U.S. Trade Representative Ms. Catherine Novelli.

Both Sides have agreed upon the following:

1. Both Sides reaffirmed their desire to maintain and expand their bilateral economic ties.

Continuing Poland's Participation in the U.S. Generalized System of Preferences (GSP) Program and Establishing a Process to Address the Tariff Differential Problem

2. Poland has long been a major beneficiary of the U.S. Generalized System of Preferences (GSP) program. Under that program, an eligible GSP beneficiary obtains duty-free access to the United States for 3,507 (as of January 1, 2001) agricultural and industrial articles. Both Sides desire to see Poland continue to participate in the U.S. GSP program, under which approximately US \$1 billion of Polish goods entered the United States duty-free over the last three years.
3. The U.S. Side indicated that the Government of the United States will support in the Congress legislation this year to extend the U.S. GSP program, which is currently scheduled to expire on September 30, 2001.
4. Both Sides agree to regularly review the tariff differential problem affecting exports of U.S. agricultural and industrial goods to Poland with a view to solving this problem. As a result of the review in June 2001 of the tariff differential problem, the Polish Side will make, consistent with Polish laws, the tariff modifications indicated in the attached schedule (Annex A), which will enter into force in or before January 2002. Both Sides also agreed not to increase above the 2001 levels the tariffs provided to the U.S. Side in June 2001 (Annex B), excluding four items of position 6 (customs code respectively 8708 99 30 1, 8708 99 50 1, 8708 99 92 1, and 8708 99 98 1), which may increase to the EU's common external tariff levels when Poland

becomes a member of the EU.

5. Taking the commitments mentioned in paragraphs 3 and 4 above into account and in expectation of a positive result from the consideration of tariff suspensions in paragraph 10 below, the U.S. Side, consistent with U.S. laws, will support the continuation of Poland's participation in the U.S. GSP program for agricultural and industrial goods until Poland becomes a member of the EU.

Conformity Assessment

6. The Polish Side informed that it is adjusting its system in the field of conformity assessment to the EU one, according to the Protocol on European Conformity Assessment (PECA). Both sides informed that they intend to honor their obligations under the World Trade Organization (WTO) Technical Barriers to Trade Agreement. The Polish side has taken note of the U.S. Side's observations concerning the Protocol on European Conformity Assessment.

Acceding to the WTO Government Procurement Agreement

7. The Polish Side emphasized that it has observer status to the WTO Government Procurement Agreement. As a candidate country to the EU, it is committed to accede to the WTO Government Procurement Agreement as of the date of accession to the EU. Poland is going to start soon the procedure required in order to accede to the WTO Government Procurement Agreement.

Improving Market Access for Agricultural Products

8. The U.S. Side confirms that as of June 1, 2001, it has terminated its safeguard measure that had applied to wheat gluten from Poland. The U.S. side also confirms that, consistent with U.S. laws, wheat gluten from Poland will be included in the U.S. GSP program.

9. The U.S. Side affirms that the issue of increasing cheese quotas for Poland is a subject for discussion in multilateral negotiations on agriculture. The U.S. Side will promptly provide the Government of Poland with information about the current importers with licenses to import cheese under the Any country category

10. The Polish Side, consistent with Polish laws and regulations, will initiate the internal procedure aimed at suspending as of January 2002 Polish customs duties for the following products:

a) grapefruits (PCN code 0854 00 00) - suspension of duty to 5 percent level;

b) wine of fresh grapes, including fortified wines, white and other (PCN code 2204 21 79 0 and 2204 21 80 0) - the suspension of duty to the level currently applied with respect to imports

from EU countries, i.e., 20%, min. 25 Euro/hl.

c) almonds (PCN code 0802 11 and 0802 12) - suspension of tariffs to the present level of the EU common customs tariff.

Altogether, the Polish side will take into consideration the possibilities suspensions for seven tariff items (at the 9-digit code level).

Flexibility Opportunities for Textile Quotas to Maximize Benefits to Poland

11. The U.S. side affirms that by utilizing available flexibility provisions, exporters of Polish textiles will be able to increase the 2001 quota year's shipments by 114 percent for Category 433 (men's and boys' woolen suit-type coats), by 87 percent for Category 435 (women's and girls' woolen coats), and by 48 percent for Category 443 (men's and boys' woolen suits) over the amount shipped against the quotas for the 2000 quota year.

13. The U.S. side will increase Poland's base level quotas for seven apparel categories and two fabric categories textiles by two percent for wool, and by twelve percent for other categories, for each of the 2002, 2003 and 2004 quota years. Further, it will eliminate by January 1, 2005 all quotas under the WTO Textile Monitoring Body pursuant to the WTO Agreement on Textiles and Clothing.

14. It was also agreed by both Sides that the Polish-U.S. Working Group on Trade Issues will meet regularly, alternately in Washington, D.C., and Warsaw, to address and try to find solutions to various trade issues.

These minutes concerning the comprehensive trade package are agreed to by the Polish Side and the U.S. Side on this 15th day of June, 2001, in Warsaw, Poland. These commitments are subject to final confirmation in the form of an exchange of letters to be signed by Deputy Prime Minister and Minister of Economy Mr. Janusz Steinhoff and U.S. Trade Representative Robert Zoellick.

FOR THE POLISH SIDE

FOR THE U.S. SIDE

Mr. Wojciech Katner
Undersecretary of State
Ministry of Economy

Mr. Christopher Hill
U.S. Ambassador to Poland